

**State:** District of Columbia **Filing Company:** Star Insurance Company  
**TOI/Sub-TOI:** 05.0 CMP Liability and Non-Liability/05.0003 Commercial Package  
**Product Name:** Star-ADAR-202001-CMP Update  
**Project Name/Number:** Star-ADAR-202001-CMP Update /Star-ADAR-202001-CMP Update

## Filing at a Glance

Company: Star Insurance Company  
Product Name: Star-ADAR-202001-CMP Update  
State: District of Columbia  
TOI: 05.0 CMP Liability and Non-Liability  
Sub-TOI: 05.0003 Commercial Package  
Filing Type: Rate/Rule  
Date Submitted: 01/14/2020  
SERFF Tr Num: MEAD-132220887  
SERFF Status: Submitted to State  
State Tr Num:  
State Status:  
Co Tr Num: STAR-ADAR-202001-CMP UPDATE  
  
Effective Date: 04/01/2020  
Requested (New):  
Effective Date: 04/01/2020  
Requested (Renewal):  
Author(s): Marissa Lineberry  
Reviewer(s):  
Disposition Date:  
Disposition Status:  
Effective Date (New):  
Effective Date (Renewal):

**State:** District of Columbia **Filing Company:** Star Insurance Company  
**TOI/Sub-TOI:** 05.0 CMP Liability and Non-Liability/05.0003 Commercial Package  
**Product Name:** Star-ADAR-202001-CMP Update  
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## General Information

Project Name: Star-ADAR-202001-CMP Update Status of Filing in Domicile:  
Project Number: Star-ADAR-202001-CMP Update Domicile Status Comments:  
Reference Organization: Reference Number:  
Reference Title: Advisory Org. Circular:  
Filing Status Changed: 01/14/2020  
State Status Changed: Deemer Date:  
Created By: Marissa Lineberry Submitted By: Marissa Lineberry  
Corresponding Filing Tracking Number:

### Filing Description:

Star Insurance Company (Star) writes commercial lines insurance in your state and is a member of ISO.

We are seeking approval of new and revised rules for our Auto Dismantlers & Recyclers Program (ADAR). Please see our memorandum and redline versions for our changes.

## Company and Contact

### Filing Contact Information

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### Filing Company Information

Star Insurance Company  
26255 American Drive  
Southfield, MI 48034  
(248) 358-1100 ext. [Phone]  
CoCode: 18023  
Group Code: 748  
Group Name: AmeriTrust Group Inc  
FEIN Number: 38-2626205  
State of Domicile: Michigan  
Company Type: property and casualty  
State ID Number:

## Filing Fees

Fee Required? No  
Retaliatory? No  
Fee Explanation:

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Star Insurance Company
<b>TOI/Sub-TOI:</b>	05.0 CMP Liability and Non-Liability/05.0003 Commercial Package		
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## Rate Information

Rate data applies to filing.

<b>Filing Method:</b>	
<b>Rate Change Type:</b>	%
<b>Overall Percentage of Last Rate Revision:</b>	0.000%
<b>Effective Date of Last Rate Revision:</b>	
<b>Filing Method of Last Filing:</b>	
<b>SERFF Tracking Number of Last Filing:</b>	

### Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Star Insurance Company	0.000%	0.000%	\$0	2	\$0	0.000%	0.000%

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Star Insurance Company
<b>TOI/Sub-TOI:</b>	05.0 CMP Liability and Non-Liability/05.0003 Commercial Package		
<b>Product Name:</b>	Star-ADAR-202001-CMP Update		
<b>Project Name/Number:</b>	Star-ADAR-202001-CMP Update /Star-ADAR-202001-CMP Update		

## Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		DC-ADR-Rates-0120	DC-ADR-Rates-0120	Replacement		DC-ADR-Rates-0120.pdf

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**I. Eligibility**

Entities that are engaged in the business of performing auto dismantling and salvage, or scrap operations only.

**II. Commercial Auto Coverage**

Risks written under this program will be rated using forms, rules and loss costs filed by, or on behalf of the company by ISO along with the following exceptions:

1. A Loss Cost Multiplier of 1.600 for auto liability and 1.680 for physical damage shall be used to determine the rates. For general use, the Expected Loss and Loss Adjustment Expense Ratios will be 0.567 for auto liability and 0.515 for physical damage.
2. Use ISO's deductibles and deductible factors. For higher Garagekeepers Legal Liability Collision Deductibles, apply the following factors to the \$100 deductible collision premium:

<u>Deductible</u>	<u>Factor</u>
\$1,000	0.74
\$5,000	0.29

3. Commercial Automobile Liability Experience and Schedule Rating Plan

Eligibility for Experience Rating

An annual basic limits manual premium of \$3,500 or more is required for bodily injury and property damage exposures to be eligible for rating under this plan. Any risk that develops credibility from the tables contained in Rule 14 of 0.03 or more for the garage exposures, owned or hired automobile exposures, and employers non-ownership exposures to be rated shall be eligible for the application of the experience rating modification provisions of this plan.

Eligibility and Range for Schedule Rating

An annual basic limits manual premium of \$1,000 or more is required to be eligible for rating under this plan. Maximum schedule rating is +/- 25%.

Risk Characteristic	Description	Credit	Debit
Management	Cooperation with insurance company, revision of schedules, routes and practices to conform with insurer recommendations.	10%	10%
Employees	Selection, training, supervision, experience and basis of remuneration.	10%	10%
Equipment	Type, condition, servicing, risk's own repair facilities, safety equipment and drivers' reports on condition.	10%	10%
Safety Organization	Periodic meetings, distribution of safety literature, award and penalty system, review of accidents with drivers, safety director, accident reports and records.	10%	10%

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4. Commercial Automobile Physical Damage Experience and Schedule Rating Plan

Eligibility for Experience Rating

An annual basic limits manual premium of \$3,500 or more is required for bodily injury and property damage exposures to be eligible for rating under this plan. Any risk that develops credibility from the tables contained in Rule 11 of 0.03 or more for the exposures to be rated shall be eligible for the application of the experience rating modification provisions of this plan.

Eligibility and Range for Schedule Rating

An annual basic limits manual premium of \$1,000 or more is required to be eligible for rating under this plan. Maximum schedule rating is +/- 25%.

Risk Characteristic	Description	Credit	Debit
Management	Cooperation with the insurance company, revision of schedules, routes and practices to conform with insurer recommendations.	10%	to 10%
Employees	Selection, training, supervision, experience, and basis of remuneration.	10%	to 10%
Equipment	Type, condition, servicing, risk's own repair facilities, safety equipment, drivers' reports on condition.	10%	to 10%
Safety Organization	Periodic meetings, distribution of safety literature, award and penalty system, review of accidents with drivers, safety director, accident reports and records.	10%	to 10%
Dispersion or Concentration of Values Insured		10%	to 10%

5. ISO Rule 49.D.3 Auto Dealers Errors and Omissions

Apply the following factors for selected higher limits.

<u>Limit</u>	<u>Factor</u>
\$100,000	1.200
\$200,000	1.400
\$300,000	1.550

6. Endorsements and Premium Charges

A. Spoilage of Evidence Errors or Omissions (**4305 CA**)

Coverage

An optional endorsement which amends the Auto Dealers Coverage Form, 0025, to provide: Errors and omissions coverage and supplementary payments to dismantlers and salvage operations for damages arising from the disposition of salvage that is evidence in a legal proceeding.

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**Rates**

A flat charge of \$250 applies.

**B. Commercial Auto Enhancement Endorsement (4303 CA)**

**Coverage**

Optional form which broadens the Business Auto Coverage Form, **CA 0001**

**Rates**

A premium charge of 1% of the liability premium, subject to a \$250 minimum and a \$500 maximum shall be added when this form is attached to the policy.

**C. Enhancement Endorsement - Auto Dealers (4304 CA)**

**Coverage**

Optional form which broadens the Auto Dealers Coverage Form, **CA 0025**.

**Rates**

A premium charge of 1% of the liability premium, subject to a \$250 minimum and a \$500 maximum shall be added when this form is attached to the policy.

**D. Designated Insured for Covered Autos Liability Coverage (ISO CA 2048)**

Charge \$100 for additional insureds regardless of the number of additional insureds.

**E. Scrap Dealers Additional Insured - Designated Person or Organization (5735 CA)**

Available at no charge.

**F. Additional Insured (4455 CA)**

This form excludes persons or organizations we will not cover.

**G. Dealers Conversion Coverage Endorsement (4748 CA)**

**Coverage**

Optional form which broadens the Auto Dealers Coverage Form, **CA 0025**.

**Rates**

Apply a charge according to the appropriate revenue tier and the selected occurrence limit:

Revenue	Occurrence Limit	Aggregate Limit	Deductible		
			\$5,000	\$10,000	\$15,000
\$0-\$15	\$10,000	\$20,000	\$100	\$98	\$96

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million	\$25,000	\$50,000	\$125	\$122	\$120
	\$50,000	\$100,000	\$150	\$147	\$144
	\$100,000	\$200,000	\$180	\$176	\$173
	\$250,000	\$250,000	\$225	\$219	\$216
\$15-30 m	\$10,000	\$20,000	\$166	\$162	\$160
	\$25,000	\$50,000	\$208	\$203	\$200
	\$50,000	\$100,000	\$249	\$243	\$240
	\$100,000	\$200,000	\$299	\$292	\$287
	\$250,000	\$250,000	\$373	\$364	\$359
\$30 m +	\$10,000	\$20,000	\$266	\$260	\$256
	\$25,000	\$50,000	\$333	\$325	\$320
	\$50,000	\$100,000	\$399	\$390	\$384
	\$100,000	\$200,000	\$478	\$467	\$460
	\$250,000	\$250,000	\$597	\$584	\$575

**H. Impaired Property Damage Endorsement (5962 CA)**

1. This endorsement provides limited property damage coverage for property that has not been physically injured but is deemed to be impaired due to work performed by the insured.
2. This endorsement provides varying limit, deductible and participation percentage options illustrated in the following table.

Each Occurrence Limit	Aggregate Limit	Deductible	Participation Percentage	Annual Premium		
				Revenue \$0-15 m	Revenue \$15-30 m	Revenue \$30 m +
\$10,000	\$10,000	\$500	5%	Included		
\$50,000	\$50,000	\$3,500	20%	\$235	\$390	\$625
\$75,000	\$75,000	\$5,000	25%	\$240	\$400	\$645
\$100,000	\$100,000	\$5,000	30%	\$245	\$405	\$650

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\$100,000	\$250,000	\$5,000	30%	\$275	\$460	\$735
\$250,000	\$250,000	\$5,000	30%	\$305	\$510	\$850

3. The deductible applies first to a loss. The participation percentage then applies to the balance of the loss, subject to Each Occurrence and Aggregate Limits.

4. The premium is not subject to further modification.

### **III. Commercial Crime Coverage.**

Risks written under this program will be rated using forms, rules and loss costs filed by, or on behalf of the company by ISO shall apply for this line of business.

### **IV. Commercial Property Coverage**

Risks written under this program will be rated using forms, rules and loss costs filed by, or on behalf of the company by shall apply for this line of business with the following exceptions.

1. The Star general use Loss Cost Multiplier shall be used to determine the rates.
2. Rule 85, L.3. Special Class Rates - Class Code 1190 Stock in the Open. For a limit of \$100,000 and a deductible of \$1,000 charge \$350.
3. Individual Risk Premium Modification Range. The maximum IRPM is +/- 40%.

Risk Characteristic	Description	Credit	Debit
Management	Cooperation in matters of safeguarding and proper handling of the property covered.	10% to	10%
Location	Accessibility, congestion and exposures.	10% to	10%
Building Features	Age, condition and unusual structural features.	5% to	5%
Premises And Equipment	Care, condition and type.	5% to	5%
Employees	Selection, training, supervision and experience.	5% to	5%
Protection	Not otherwise recognized.	5% to	5%

#### **4. Endorsements and Premium Charges**

##### **A. Special Broadened Property Coverage (4326 CP)**

1. The premium charge for the Special Broadened Property coverage is dependent upon selection of the Silver Band or the Gold Band:
  - a. Silver Band (\$100,000 Occurrence/\$250,000 Annual Aggregate):
    1. Charge a \$350 Minimum Premium for the first location.

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2. Charge \$75 for each additional location.
- b. Gold Band (\$250,000 Occurrence/\$500,000 Annual Aggregate):
  1. Charge a \$500 Minimum Premium for the first location.
  2. Charge \$100 for each additional location.
2. Each location premium charge is pro-ratable.
3. The premium charges are not subject to modifications except for any applicable premium size modification.
- B. Enhancement Property Coverage Endorsement (**4312 CP**)
  1. Optional form which modifies both the Building and Personal Property Coverage form and the Causes of Loss - Special Form.
  2. A flat charge of \$250 applies per location.
- C. Special Broadening Property Plus Endorsement (**6026 CP**)
  1. Optional form which modifies both the Building and Personal Property Coverage form and the Causes of Loss – Special Form.
  2. A flat charge of \$650 applies per location.

**V. Commercial General Liability**

Risks written under this program will be rated using forms, rules and loss costs filed by, or on behalf of the company by ISO shall apply for this line of business. Attach the Repossessors Liability Enhancement (**4427 GL**) form at no premium charge.

1. Commercial General Liability Experience and Schedule Rating Plan exceptions

Eligibility for Experience Rating

An annual basic limits manual premium of \$3,500 or more is required for bodily injury and property damage exposures to be eligible for rating under this plan. Any risk that develops credibility from the tables contained in Rule 16 of 0.03 or more for the exposures to be rated shall be eligible for the application of the experience rating modification provisions of this plan.

Eligibility for Schedule Rating

An annual basic limits manual premium of \$1,000 or more is required to be eligible for rating under this plan.

2. For all ISO additional Insured's with premium charge as "Refer To Company" - charge \$100 regardless of the number of additional insureds.
3. CGL Special Broadening Endorsement (**2197 GL**)

\$250 Flat Charge

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**4. Conversion Coverage Endorsement (6083 GL)**

For this optional form, apply a charge accordingly to the appropriate revenue tier and the selected limits and deductibles:

Revenue	Occurrence Limit	Aggregate Limit	Deductible		
			\$5,000	\$10,000	\$15,000
\$0-\$15 m	\$10,000	\$20,000	\$100	\$98	\$96
	\$25,000	\$50,000	\$125	\$122	\$120
	\$50,000	\$100,000	\$150	\$147	\$144
	\$100,000	\$200,000	\$180	\$176	\$173
	\$250,000	\$250,000	\$225	\$219	\$216
\$15-\$30 m	\$10,000	\$20,000	\$166	\$162	\$160
	\$25,000	\$50,000	\$208	\$203	\$200
	\$50,000	\$100,000	\$249	\$243	\$240
	\$100,000	\$200,000	\$299	\$292	\$287
	\$250,000	\$250,000	\$373	\$364	\$359
\$30 m +	\$10,000	\$20,000	\$266	\$260	\$256
	\$25,000	\$50,000	\$333	\$325	\$320
	\$50,000	\$100,000	\$399	\$390	\$384
	\$100,000	\$200,000	\$478	\$467	\$460
	\$250,000	\$250,000	\$597	\$584	\$575

**5. Impaired Property Damage Endorsement (4385 GL)**

This endorsement provides limited property damage coverage for property that has not been physically injured but is deemed to be impaired due to work performed by the insured.

The endorsement provides varying limit, deductible and participation percentage options illustrated in the following table.

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Sub-Limit	Each Occurrence Limit	Deductible	Participation Percentage	Annual Premium		
				Revenue \$0-\$15 m	Revenue \$15 - \$30 m	Revenue \$30 m +
\$10,000	\$10,000	\$500	5%	Included		
\$50,000	\$50,000	\$3,500	20%	\$235	\$390	\$625
\$75,000	\$75,000	\$5,000	25%	\$240	\$400	\$645
\$100,000	\$100,000	\$5,000	30%	\$245	\$405	\$650
\$100,000	\$250,000	\$5,000	30%	\$275	\$460	\$735
\$250,000	\$250,000	\$5,000	30%	\$305	\$510	\$820

The deductible applies first to a loss. The participation percentage then applies to the balance of the loss, subject to the Sublimit and Each Occurrence Limits.

The premium is not subject to further premium is not subject to further modification.

## **VI. Commercial Inland Marine**

Risks written under this program will be rated using the rates, rules and forms filed by, or on behalf of the company for this program.

### **1. Electronic Data Processing Coverage**

#### **A. Eligibility**

Commercial Inland Marine Coverage is available for use with this program.

#### **B. Forms**

The following independent forms apply to this coverage.

**2976 CM** - Coverage Form

**3901 CM** - Declarations

#### **C. Rates**

Minimum Annual Premium \$100

Minimum Deductible: \$250 Higher deductibles are offered – see “Rating” below.

Electronic Data Processing Coverage Form (**2976 CM**) is a broad coverage form for Scheduled Equipment, Data and Media and Extra Expense. When Equipment is covered, limits equal to 20% of the equipment limit may be provided without additional charge for Data and Media and form Extra Expense coverages. Additional premium is charged if higher limits are required. Breakdown Coverage is included in our form. No Coinsurance applies.

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Equipment:	\$1.00 per \$100 of total insurable values.
Data/Media:	20% of the total Limit of Insurance shown in the Schedule for Equipment at that location. Rate excess limits at \$1.00 per \$100.
Extra Expense:	20% of the total Limit of Insurance shown in the Schedule for Equipment at that location. Rate excess limits at \$1.00 per \$100.
Loss of Income:	20% of the total Limit of Insurance shown in the Schedule. Rate excess limits at \$1.00 per \$100.
In Transit:	The Limit of Insurance is the greater of \$25,000 or the limit shown in the Schedule for this coverage. Rate excess limits at \$1.00 per \$100.

This includes all construction types and includes equipment failure coverage (included in coverage form).

The above rating contemplates a deductible of \$250 for all causes of loss.

For higher deductibles, apply the following factors:

<u>Deductible</u>	<u>Factor</u>
\$ 500	0.92
\$1,000	0.87
\$2,500	0.83

Any individual risk modification factors that apply to the policy apply to this line of coverage also.

**2. Motor Truck Cargo Coverage**

**A. Description Of Coverage**

This form covers the legal liability of the motor carrier for direct physical loss or damage to the property of others being transported by the insured and others.

**B. Basic Form Applicable**

Use Motor Truck Cargo Liability Coverage Form (**4314 IM**).

**C. Eligibility**

Any motor carrier operating as a common and/or contract carrier operating intrastate or interstate is eligible for motor truck cargo liability coverage.

**D. Premium Determination**

Motor Truck Cargo exposure varies widely from risk to risk and region to region. The following table shows the base rate per \$100 of limit as selected by the insured.

<u>Limit</u>	<u>Rate</u>
\$25,000	\$0.75
\$50,000	\$1.00
\$75,000	\$1.25
\$100,000	\$1.50
Over \$100,000	Refer to Company

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Apply the following load factors, according to the criteria described hereafter, to develop the loaded rate for the selected limit.

<u>Factors</u>	<u>Load</u>
Radius of operations	+/- 10%
Management	+/- 15%
Premises/Equipment	+/- 10%

**Radius of Operations** (debit/credit range =  $\pm 10\%$ ). Hauling distances greatly affect the desirability of each risk. Consideration should be given to the following:

The longer the haul, the greater the chance of loss. Long distance (over 400 miles) operations must carry high value loads to be profitable and losses are likely to be large.

Terrain and climatic conditions affect the collision, upset and overturn exposures due to ice, sleet, snow, wind and condition of roads.

**Management** (debit/credit range =  $\pm 15\%$ ). While financial condition is a sign of management involvement, there are other areas which reflect management's interest in an organization. Employee turnover, safety incentives, funding of routine expenses all start with management decisions. Some questions that should be asked are:

Is management involved in the safety program?

Do they have a safety director?

Is maintenance a burden or integral part of their operations?

Has the insured been in business for at least 3 years?

Large fleets require extraordinary underwriting attention. Examine the carrier's:  
internal operations  
maintenance program  
practice of hiring drivers that operate their vehicles  
driver's experience and any safety program instituted by the insured.

**Premises/Equipment** (debit/credit range =  $\pm 10\%$ ). Sprinkler systems and fire/smoke alarms can be positive measures for fire protection in terminals. Some questions that should be asked are:

For large yards with considerable activity, are watchmen and/or gate guards used?

Are theft prone commodities adequately protected by alarms?

Do the terminals have the same protection?

Conditions at the risk's premises and at the shipper/receiver's premises, and vehicle maintenance can influence loss experience. Some questions that should be asked are:

Is the location where a trip starts or ends a hazard to the trip?

Do the premises reflect management's desire to run a safe operation?

Is the equipment being used suitable for the task?

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A company using local trucks for long hauls, letting equipment go until it has to be replaced, etc. is running on the edge. Equipment will reflect the safety program, maintenance program and management's attitude.

**E. Deductible Credit**

Total the premiums and apply the following deductible factor:

<u>Deductible</u>	<u>Factor</u>
\$1,000	1.00
2,500	0.90
\$ 5,000	0.85
\$10,000	0.80
\$25,000 and over	0.65

**3. Special Floater Coverage**

**A. Description of coverage**

This form covers miscellaneous property against risks of direct physical loss except those causes of loss specifically excluded.

**B. Basic Form Applicable**

Use Special Floater Coverage Form (**4313 IM**)

**C. Eligibility**

These rules apply to miscellaneous commercial property not specifically covered by another commercial inland marine coverage form.

**D. Premium Determination**

Rates are per \$100 of the exposure base, i.e. equipment, property, tools.

A rate 1.40 with a \$250 deductible shall be used in determining the premium for all tools, equipment, personal property, and personal effects.

A standard deductible of \$5,000 shall apply. Other deductibles may be selected: apply the following factor to the rate otherwise charged.

Deductible	Factor
\$1,000	1.02
\$2,500	1.01
\$5,000	1.00
\$10,000	0.99
\$25,000	0.97

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\$50,000	0.95
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\$100,000	0.93
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**VII. Terrorism Premium Charge**

Use ISO's rates, rules, and forms to provide terrorism coverage.

<b>State:</b>	District of Columbia	<b>Filing Company:</b>	Star Insurance Company
<b>TOI/Sub-TOI:</b>	05.0 CMP Liability and Non-Liability/05.0003 Commercial Package		
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## Supporting Document Schedules

<b>Bypassed - Item:</b>	Consulting Authorization
<b>Bypass Reason:</b>	N/A
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Satisfied - Item:</b>	Actuarial Certification (P&C)
<b>Comments:</b>	
<b>Attachment(s):</b>	DC-ADR-Rates-0314 redline.pdf Actuarial Memo - Star.pdf Exhibit A - Conversion Coverage - Multistate.pdf Exhibit B - Impaired Property Damage - GL.pdf Exhibit C - Special Floater Coverage Deductible Factors.pdf
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
<b>Bypass Reason:</b>	N/A NO POLICIES
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

<b>Bypassed - Item:</b>	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
<b>Bypass Reason:</b>	N/A NO POLICIES
<b>Attachment(s):</b>	
<b>Item Status:</b>	
<b>Status Date:</b>	

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**I. Eligibility**

Entities that are engaged in the business of performing ~~auto-repossession~~, auto dismantling and salvage, or scrap operations only.

**II. Commercial Auto Coverage**

Risks written under this program will be rated using forms, rules and loss costs filed by, or on behalf of the company by ISO along with the following exceptions:

1. A Loss Cost Multiplier of 1.600 for auto liability and 1.680 for physical damage shall be used to determine the rates. For general use, the Expected Loss and Loss Adjustment Expense Ratios will be 0.567 for auto liability and 0.515 for physical damage.
2. Use ISO's deductibles and deductible factors. For higher Garagekeepers Legal Liability Collision Deductibles, apply the following factors to the \$100 deductible collision premium:

<u>Deductible</u>	<u>Factor</u>
\$1,000	0.74
\$5,000	0.29

3. Commercial Automobile Liability Experience and Schedule Rating Plan

Eligibility for Experience Rating

An annual basic limits manual premium of \$3,500 or more is required for bodily injury and property damage exposures to be eligible for rating under this plan. Any risk that develops credibility from the tables contained in Rule 14 of 0.03 or more for the garage exposures, owned or hired automobile exposures, and employers non-ownership exposures to be rated shall be eligible for the application of the experience rating modification provisions of this plan.

Eligibility and Range for Schedule Rating

An annual basic limits manual premium of \$1,000 or more is required to be eligible for rating under this plan. Maximum schedule rating is +/- 25%.

Risk Characteristic	Description	Credit	Debit
Management	Cooperation with insurance company, revision of schedules, routes and practices to conform with insurer recommendations.	10%	to 10%
Employees	Selection, training, supervision, experience and basis of remuneration.	10%	to 10%
Equipment	Type, condition, servicing, risk's own repair facilities, safety equipment and drivers' reports on condition.	10%	to 10%
Safety Organization	Periodic meetings, distribution of safety literature, award and penalty system, review of accidents with drivers, safety director, accident reports and records.	10%	to 10%

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4. Commercial Automobile Physical Damage Experience and Schedule Rating Plan

Eligibility for Experience Rating

An annual basic limits manual premium of \$3,500 or more is required for bodily injury and property damage exposures to be eligible for rating under this plan. Any risk that develops credibility from the tables contained in Rule 11 of 0.03 or more for the exposures to be rated shall be eligible for the application of the experience rating modification provisions of this plan.

Eligibility and Range for Schedule Rating

An annual basic limits manual premium of \$1,000 or more is required to be eligible for rating under this plan. Maximum schedule rating is +/- 25%.

Risk Characteristic	Description	Credit	Debit
Management	Cooperation with the insurance company, revision of schedules, routes and practices to conform with insurer recommendations.	10%	to 10%
Employees	Selection, training, supervision, experience, and basis of remuneration.	10%	to 10%
Equipment	Type, condition, servicing, risk's own repair facilities, safety equipment, drivers' reports on condition.	10%	to 10%
Safety Organization	Periodic meetings, distribution of safety literature, award and penalty system, review of accidents with drivers, safety director, accident reports and records.	10%	to 10%
Dispersion or Concentration of Values Insured		10%	to 10%

5. ISO Rule 49.D.3 Auto Dealers Errors and Omissions

Apply the following factors for selected higher limits.

<u>Limit</u>	<u>Factor</u>
\$100,000	1.200
\$200,000	1.400
\$300,000	1.550

6. Endorsements and Premium Charges

A. Spoilage of Evidence Errors or Omissions (4305 CA)

Coverage

An optional endorsement which amends the Auto Dealers Coverage Form, 0025, to provide: Errors and omissions coverage and supplementary payments to dismantlers and salvage operations for damages arising from the disposition of salvage that is evidence in a legal proceeding.

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Rates

A flat charge of \$250 applies.

~~B.~~ Repossessors Enhancement Endorsement (4306 CA)

Coverage

~~An optional endorsement which amends the GarageKeepers Coverage Form, CA 9937, to provide:  
Sums the Insured must pay as damages because of bodily injury or property damage arising out of an  
error in the identification and seizures of an automobile under a defaulted promissory note, loan or  
encumbrance.~~

~~Physical Damage to recovered collateral, which may include autos, mobile equipment, recreational  
vehicles, motorcycles, watercraft less than 26 feet in length and travel trailers.~~

Rates

Number of _____	Flat
<u>Repossessions</u> _____	<u>Charge</u>
Up to 1,500 _____	\$250
1,501 to 3,000 _____	\$500

C.B. Commercial Auto Enhancement Endorsement (4303 CA)

Coverage

Optional form which broadens the Business Auto Coverage Form, CA 0001

Rates

A premium charge of 1% of the liability premium, subject to a \$250 minimum and a \$500 maximum shall be added when this form is attached to the policy.

D.C. Enhancement Endorsement - Auto Dealers (4304 CA)

Coverage

Optional form which broadens the Auto Dealers Coverage Form, CA 0025.

Rates

A premium charge of 1% of the liability premium, subject to a \$250 minimum and a \$500 maximum shall be added when this form is attached to the policy.

E.D. Designated Insured for Covered Autos Liability Coverage (ISO CA 2048)

Charge \$100 for additional insureds regardless of the number of additional insureds.

F.E. Scrap Dealers Additional Insured - Designated Person or Organization (5735 CA)

Available at no charge.

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G.F. Additional Insured (4455 CA)

This form excludes persons or organizations we will not cover.

H.G. ~~Scrap~~ Dealers Conversion Coverage Endorsement (4748 CA)

Coverage

Optional form which broadens the Auto Dealers Coverage Form, CA 0025.

Rates

~~This coverage is subject to a \$5,000 deductible. The aggregate limit shall be twice the selected occurrence limit.~~ Apply a charge according to the appropriate revenue tier and the selected occurrence limit:

<u>Revenue</u>	<u>Occurrence Limit</u>	<u>Aggregate Limit</u>	<u>Deductible</u>		
			<u>\$5,000</u>	<u>\$10,000</u>	<u>\$15,000</u>
<u>\$0-\$15 million</u>	<u>\$10,000</u>	<u>\$20,000</u>	<u>\$100</u>	<u>\$98</u>	<u>\$96</u>
	<u>\$25,000</u>	<u>\$50,000</u>	<u>\$125</u>	<u>\$122</u>	<u>\$120</u>
	<u>\$50,000</u>	<u>\$100,000</u>	<u>\$150</u>	<u>\$147</u>	<u>\$144</u>
	<u>\$100,000</u>	<u>\$200,000</u>	<u>\$180</u>	<u>\$176</u>	<u>\$173</u>
	<u>\$250,000</u>	<u>\$250,000</u>	<u>\$225</u>	<u>\$219</u>	<u>\$216</u>
<u>\$15-30 m</u>	<u>\$10,000</u>	<u>\$20,000</u>	<u>\$166</u>	<u>\$162</u>	<u>\$160</u>
	<u>\$25,000</u>	<u>\$50,000</u>	<u>\$208</u>	<u>\$203</u>	<u>\$200</u>
	<u>\$50,000</u>	<u>\$100,000</u>	<u>\$249</u>	<u>\$243</u>	<u>\$240</u>
	<u>\$100,000</u>	<u>\$200,000</u>	<u>\$299</u>	<u>\$292</u>	<u>\$287</u>
	<u>\$250,000</u>	<u>\$250,000</u>	<u>\$373</u>	<u>\$364</u>	<u>\$359</u>
<u>\$30 m +</u>	<u>\$10,000</u>	<u>\$20,000</u>	<u>\$266</u>	<u>\$260</u>	<u>\$256</u>
	<u>\$25,000</u>	<u>\$50,000</u>	<u>\$333</u>	<u>\$325</u>	<u>\$320</u>
	<u>\$50,000</u>	<u>\$100,000</u>	<u>\$399</u>	<u>\$390</u>	<u>\$384</u>
	<u>\$100,000</u>	<u>\$200,000</u>	<u>\$478</u>	<u>\$467</u>	<u>\$460</u>
	<u>\$250,000</u>	<u>\$250,000</u>	<u>\$597</u>	<u>\$584</u>	<u>\$575</u>

H. Impaired Property Damage Endorsement (5962 CA)

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1. This endorsement provides limited property damage coverage for property that has not been physically injured but is deemed to be impaired due to work performed by the insured.
2. This endorsement provides varying limit, deductible and participation percentage options illustrated in the following table.

<u>Each Occurrence Limit</u>	<u>Aggregate Limit</u>	<u>Deductible</u>	<u>Participation Percentage</u>	<u>Annual Premium</u>		
				<u>Revenue \$0-15 m</u>	<u>Revenue \$15-30 m</u>	<u>Revenue \$30 m +</u>
<u>\$10,000</u>	<u>\$10,000</u>	<u>\$500</u>	<u>5%</u>	<u>Included</u>		
<u>\$50,000</u>	<u>\$50,000</u>	<u>\$3,500</u>	<u>20%</u>	<u>\$235</u>	<u>\$390</u>	<u>\$625</u>
<u>\$75,000</u>	<u>\$75,000</u>	<u>\$5,000</u>	<u>25%</u>	<u>\$240</u>	<u>\$400</u>	<u>\$645</u>
<u>\$100,000</u>	<u>\$100,000</u>	<u>\$5,000</u>	<u>30%</u>	<u>\$245</u>	<u>\$405</u>	<u>\$650</u>
<u>\$100,000</u>	<u>\$250,000</u>	<u>\$5,000</u>	<u>30%</u>	<u>\$275</u>	<u>\$460</u>	<u>\$735</u>
<u>\$250,000</u>	<u>\$250,000</u>	<u>\$5,000</u>	<u>30%</u>	<u>\$305</u>	<u>\$510</u>	<u>\$850</u>

3. The deductible applies first to a loss. The participaion percentage then applies to the balance of the loss, subject to Each Occurrence and Aggregate Limits.
4. The premium is not subject to further modification.

<u>Limit</u>	<u>Charge</u>
<u>\$10,000</u>	<u>\$100</u>
<u>\$25,000</u>	<u>\$125</u>
<u>\$50,000</u>	<u>\$150</u>

### III. Commercial Crime Coverage.

Risks written under this program will be rated using forms, rules and loss costs filed by, or on behalf of the company by ISO shall apply for this line of business.

### IV. Commercial Property Coverage

Risks written under this program will be rated using forms, rules and loss costs filed by, or on behalf of the company by shall apply for this line of business with the following exceptions.

1. The Star general use Loss Cost Multiplier shall be used to determine the rates.

1-2. Rule 85, L.3. Special Class Rates - Class Code 1190 Stock in the Open. For a limit of \$100,000 and a deductible of \$1,000 charge \$350.

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2.3. Individual Risk Premium Modification Range. The maximum IRPM is +/- 40%.

Risk Characteristic	Description	Credit	Debit
Management	Cooperation in matters of safeguarding and proper handling of the property covered.	10% to	10%
Location	Accessibility, congestion and exposures.	10% to	10%
Building Features	Age, condition and unusual structural features.	5% to	5%
Premises And Equipment	Care, condition and type.	5% to	5%
Employees	Selection, training, supervision and experience.	5% to	5%
Protection	Not otherwise recognized.	5% to	5%

3.4. Endorsements and Premium Charges

A. Special Broadened Property Coverage (4326 CP)

1. The premium charge for the Special Broadened Property coverage is dependent upon selection of the Silver Band or the Gold Band:
  - a. Silver Band (\$100,000 Occurrence/\$250,000 Annual Aggregate):
    1. Charge a \$350 Minimum Premium for the first location.
    2. Charge \$75 for each additional location.
  - b. Gold Band (\$250,000 Occurrence/\$500,000 Annual Aggregate):
    1. Charge a \$500 Minimum Premium for the first location.
    2. Charge \$100 for each additional location.
2. Each location premium charge is pro-ratable.
3. The premium charges are not subject to modifications except for any applicable premium size modification.

B. Enhancement Property Coverage Endorsement (4312 CP)

1. Optional form which modifies both the Building and Personal Property Coverage form and the Causes of Loss - Special Form.

2. A flat charge of \$250 applies per location.

C. Special Broadening Property Plus Endorsement (6026 CP)

1. Optional form which modifies both the Building and Personal Property Coverage form and the Causes of Loss – Special Form.

2. A flat charge of \$650 applies per location.

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**V. Commercial General Liability**

Risks written under this program will be rated using forms, rules and loss costs filed by, or on behalf of the company by ISO shall apply for this line of business. Attach the Repossessors Liability Enhancement (4427 GL) form at no premium charge.

**1. Commercial General Liability Experience and Schedule Rating Plan exceptions**

**Eligibility for Experience Rating**

An annual basic limits manual premium of \$3,500 or more is required for bodily injury and property damage exposures to be eligible for rating under this plan. Any risk that develops credibility from the tables contained in Rule 16 of 0.03 or more for the exposures to be rated shall be eligible for the application of the experience rating modification provisions of this plan.

**Eligibility for Schedule Rating**

An annual basic limits manual premium of \$1,000 or more is required to be eligible for rating under this plan.

2. For all ISO additional Insured's with premium charge as "Refer To Company" - charge \$100 regardless of the number of additional insureds.

**3. CGL Special Broadening Endorsement (2197 GL)**

\$250 Flat Charge

**4. Conversion Coverage Endorsement (6083 GLO)**

For this optional form, apply a charge accordingly to the appropriate revenue tier and the selected limits and deductibles:

<u>Revenue</u>	<u>Occurrence Limit</u>	<u>Aggregate Limit</u>	<u>Deductible</u>		
			<u>\$5,000</u>	<u>\$10,000</u>	<u>\$15,000</u>
<u>\$0-\$15 m</u>	<u>\$10,000</u>	<u>\$20,000</u>	<u>\$100</u>	<u>\$98</u>	<u>\$96</u>
	<u>\$25,000</u>	<u>\$50,000</u>	<u>\$125</u>	<u>\$122</u>	<u>\$120</u>
	<u>\$50,000</u>	<u>\$100,000</u>	<u>\$150</u>	<u>\$147</u>	<u>\$144</u>
	<u>\$100,000</u>	<u>\$200,000</u>	<u>\$180</u>	<u>\$176</u>	<u>\$173</u>
	<u>\$250,000</u>	<u>\$250,000</u>	<u>\$225</u>	<u>\$219</u>	<u>\$216</u>
<u>\$15-\$30 m</u>	<u>\$10,000</u>	<u>\$20,000</u>	<u>\$166</u>	<u>\$162</u>	<u>\$160</u>
	<u>\$25,000</u>	<u>\$50,000</u>	<u>\$208</u>	<u>\$203</u>	<u>\$200</u>
	<u>\$50,000</u>	<u>\$100,000</u>	<u>\$249</u>	<u>\$243</u>	<u>\$240</u>

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	<u>\$100,000</u>	<u>\$200,000</u>	<u>\$299</u>	<u>\$292</u>	<u>\$287</u>
	<u>\$250,000</u>	<u>\$250,000</u>	<u>\$373</u>	<u>\$364</u>	<u>\$359</u>
<u>\$30 m +</u>	<u>\$10,000</u>	<u>\$20,000</u>	<u>\$266</u>	<u>\$260</u>	<u>\$256</u>
	<u>\$25,000</u>	<u>\$50,000</u>	<u>\$333</u>	<u>\$325</u>	<u>\$320</u>
	<u>\$50,000</u>	<u>\$100,000</u>	<u>\$399</u>	<u>\$390</u>	<u>\$384</u>
	<u>\$100,000</u>	<u>\$200,000</u>	<u>\$478</u>	<u>\$467</u>	<u>\$460</u>
	<u>\$250,000</u>	<u>\$250,000</u>	<u>\$597</u>	<u>\$584</u>	<u>\$575</u>

5. Impaired Property Damage Endorsement (4385 GL)

This endorsement provides limited property damage coverage for property that has not been physically injured but is deemed to be impaired due to work performed by the insured.

The endorsement provides varying limit, deductible and participation percentage options illustrated in the following table.

<u>Sub-Limit</u>	<u>Each Occurrence Limit</u>	<u>Deductible</u>	<u>Participation Percentage</u>	<u>Annual Premium</u>		
				<u>Revenue \$0- \$15 m</u>	<u>Revenue \$15 - \$30 m</u>	<u>Revenue \$30 m +</u>
<u>\$10,000</u>	<u>\$10,000</u>	<u>\$500</u>	<u>5%</u>	<u>Included</u>		
<u>\$50,000</u>	<u>\$50,000</u>	<u>\$3,500</u>	<u>20%</u>	<u>\$235</u>	<u>\$390</u>	<u>\$625</u>
<u>\$75,000</u>	<u>\$75,000</u>	<u>\$5,000</u>	<u>25%</u>	<u>\$240</u>	<u>\$400</u>	<u>\$645</u>
<u>\$100,000</u>	<u>\$100,000</u>	<u>\$5,000</u>	<u>30%</u>	<u>\$245</u>	<u>\$405</u>	<u>\$650</u>
<u>\$100,000</u>	<u>\$250,000</u>	<u>\$5,000</u>	<u>30%</u>	<u>\$275</u>	<u>\$460</u>	<u>\$735</u>
<u>\$250,000</u>	<u>\$250,000</u>	<u>\$5,000</u>	<u>30%</u>	<u>\$305</u>	<u>\$510</u>	<u>\$820</u>

The deductible applies first to a loss. The participation percentage then applies to the balance of the loss, subject to the Sublimit and Each Occurrence Limits.

The premium is not subject to further premium is not subject to further modification.

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**VI. Commercial Inland Marine**

Risks written under this program will be rated using the rates, rules and forms filed by, or on behalf of the company for this program.

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1. Electronic Data Processing Coverage

A. Eligibility

Commercial Inland Marine Coverage is available for use with this program.

B. Forms

The following independent forms apply to this coverage.

2976 CM - Coverage Form  
3901 CM - Declarations

C. Rates

Minimum Annual Premium \$100

Minimum Deductible: \$250 Higher deductibles are offered – see "Rating" below.

Electronic Data Processing Coverage Form (2976 CM) is a broad coverage form for Scheduled Equipment, Data and Media and Extra Expense. When Equipment is covered, limits equal to 20% of the equipment limit may be provided without additional charge for Data and Media and form Extra Expense coverages. Additional premium is charged if higher limits are required. Breakdown Coverage is included in our form. No Coinsurance applies.

Equipment:	\$1.00 per \$100 of total insurable values.
Data/Media:	20% of the total Limit of Insurance shown in the Schedule for Equipment at that location. Rate excess limits at \$1.00 per \$100.
Extra Expense:	20% of the total Limit of Insurance shown in the Schedule for Equipment at that location. Rate excess limits at \$1.00 per \$100.
Loss of Income:	20% of the total Limit of Insurance shown in the Schedule. Rate excess limits at \$1.00 per \$100.
In Transit:	The Limit of Insurance is the greater of \$25,000 or the limit shown in the Schedule for this coverage. Rate excess limits at \$1.00 per \$100.

This includes all construction types and includes equipment failure coverage (included in coverage form).

The above rating contemplates a deductible of \$250 for all causes of loss.

For higher deductibles, apply the following factors:

<u>Deductible</u>	<u>Factor</u>
\$ 500	0.92
\$1,000	0.87
\$2,500	0.83

Any individual risk modification factors that apply to the policy apply to this line of coverage also.

2. Motor Truck Cargo Coverage

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A. Description Of Coverage

This form covers the legal liability of the motor carrier for direct physical loss or damage to the property of others being transported by the insured and others.

B. Basic Form Applicable

Use Motor Truck Cargo Liability Coverage Form (4314 IM).

C. Eligibility

Any motor carrier operating as a common and/or contract carrier operating intrastate or interstate is eligible for motor truck cargo liability coverage.

D. Premium Determination

Motor Truck Cargo exposure varies widely from risk to risk and region to region. The following table shows the base rate per \$100 of limit as selected by the insured.

<u>Limit</u>	<u>Rate</u>
\$25,000	\$0.75
\$50,000	\$1.00
\$75,000	\$1.25
\$100,000	\$1.50
Over \$100,000	Refer to Company

Apply the following load factors, according to the criteria described hereafter, to develop the loaded rate for the selected limit.

<u>Factors</u>	<u>Load</u>
Radius of operations	+/- 10%
Management	+/- 15%
Premises/Equipment	+/- 10%

**Radius of Operations** (debit/credit range =  $\pm 10\%$ ). Hauling distances greatly affect the desirability of each risk. Consideration should be given to the following:

The longer the haul, the greater the chance of loss. Long distance (over 400 miles) operations must carry high value loads to be profitable and losses are likely to be large.

Terrain and climatic conditions affect the collision, upset and overturn exposures due to ice, sleet, snow, wind and condition of roads.

**Management** (debit/credit range =  $\pm 15\%$ ). While financial condition is a sign of management involvement, there are other areas which reflect management's interest in an organization. Employee turnover, safety incentives, funding of routine expenses all start with management decisions. Some questions that should be asked are:

Is management involved in the safety program?

Do they have a safety director?

Is maintenance a burden or integral part of their operations?

Has the insured been in business for at least 3 years?

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Large fleets require extraordinary underwriting attention. Examine the carrier's:  
internal operations  
maintenance program  
practice of hiring drivers that operate their vehicles  
driver's experience and any safety program instituted by the insured.

**Premises/Equipment** (debit/credit range =  $\pm 10\%$ ). Sprinkler systems and fire/smoke alarms can be positive measures for fire protection in terminals. Some questions that should be asked are:

For large yards with considerable activity, are watchmen and/or gate guards used?

Are theft prone commodities adequately protected by alarms?

Do the terminals have the same protection?

Conditions at the risk's premises and at the shipper/receiver's premises, and vehicle maintenance can influence loss experience. Some questions that should be asked are:

Is the location where a trip starts or ends a hazard to the trip?

Do the premises reflect management's desire to run a safe operation?

Is the equipment being used suitable for the task?

A company using local trucks for long hauls, letting equipment go until it has to be replaced, etc. is running on the edge. Equipment will reflect the safety program, maintenance program and management's attitude.

**E. Deductible Credit**

Total the premiums and apply the following deductible factor:

<u>Deductible</u>	<u>Factor</u>
<u>\$1,000</u>	<u>1.00</u>
2,500	0.90
\$ 5,000	0.85
\$10,000	0.80
\$25,000 and over	0.65

**3. Special Floater Coverage**

**A. Description of coverage**

This form covers miscellaneous property against risks of direct physical loss except those causes of loss specifically excluded.

**B. Basic Form Applicable**

Use Special Floater Coverage Form (4313 IM)

**C. Eligibility**

These rules apply to miscellaneous commercial property not specifically covered by another commercial inland marine coverage form.

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D. Premium Determination

Rates are per \$100 of the exposure base, i.e. equipment, property, tools.

A rate 1.40 with a \$250 deductible shall be used in determining the premium for all tools, equipment, personal property, and personal effects.

~~The following deductible options apply:~~ A standard deductible of \$5,000 shall apply. Other deductibles may be selected: apply the following factor to the rate otherwise charged.

<u>Deductible</u>	<u>Factor</u>
<u>\$1,000</u>	<u>1.02</u>
<u>\$2,500</u>	<u>1.01</u>
<u>\$5,000</u>	<u>1.00</u>
<u>\$10,000</u>	<u>0.99</u>
<u>\$25,000</u>	<u>0.97</u>
<u>\$50,000</u>	<u>0.95</u>
<u>\$100,000</u>	<u>0.93</u>

<u>Deductible</u>	<u>Factor</u>
<u>\$ 500</u>	<u>0.92</u>
<u>\$1,000</u>	<u>0.87</u>
<u>\$2,500</u>	<u>0.83</u>

VII. Terrorism Premium Charge

Use ISO's rates, rules, and forms to provide terrorism coverage.

**Star Insurance Company**  
**Auto Dismantlers and Recyclers**  
**Actuarial Memo**

The following Items are in order of appearance in the manual pages, except that for Conversion Coverage and Impaired Property Damage, the same rates are used in both the Auto and GL sections of the manual pages.

II.6.G. Conversion Coverage Endorsement (4748 CA)

V.4. Conversion Coverage Endorsement (6083 GL)

We propose to add optional higher limits and optional higher deductibles. Rates are developed in Exhibit A, using ISO Increased Limits Factors and ISO Deductible Factors. We add rates for higher revenue tiering, based on North River filed rates. The same rates are proposed for Auto and GL coverages.

II.6.H. Impaired Property Damage Endorsement (5962 CA)

V.5. Impaired Property Damage Endorsement (4385 GL)

Our rates are based on North River filings, detailed in Exhibit B, in the Note for Row 3. Rates at our proposed limits, deductibles, and participation percentages are developed using ISO Increased Limits Factors and ISO Deductible Factors. The same rates are proposed for Auto and GL coverages, though the limits apply differently as indicated in Columns a and b of the respective exhibits.

IV.2. ISO Commercial Property Class 1400

We have filed company loss costs for Class 1400 Waste and reclaimed materials, including yards. We now specify that those filed rates shall not apply where ISO has specifically rated a building or property. In general, such properties are observed to have lower rates than our filed rates.

IV.5.C. Special Broadened Property Plus Endorsement (6026 CP)

This new endorsement increases the coverages and limits over our existing broadening endorsement (4326 CP). This endorsement has an increased cost over 4326 CP due to the increase in coverage limits and the additional coverages added. We expect to see an increase in our frequency and severity of claims.

V.3. CGL Special Broadening Endorsement (2197 GL)

We filed this endorsement for our Chemplan program in your state, with the following rating, "Apply a 2% charge against premium generated by code 11101, subject to a minimum premium of \$250." For use with this program, we propose a flat charge of \$250, based on the earlier approved minimum premium.

VI.2.E. Inland Marine - Motor Truck Cargo Coverage - Deductible Factors

In line with our original intent and practice, we specify that the base deductible for this coverage is \$1,000, e.g., with a deductible factor of 1.00.

VI.3.D. Inland Marine - Special Floater Coverage - Rates

Special Floater Coverage is designed to cover a wide range of miscellaneous equipment; accordingly, this is a filing-exempt inland marine coverage in many states. We propose a rate range of \$0.75-\$2.00, to allow underwriters the flexibility to offer this coverage.

VI.3.D. Inland Marine - Special Floater Coverage - Deductible Factors

Where our base deductible had been \$250, we propose a new base deductible of \$5,000, to accommodate larger exposures. Factors are developed in Exhibit C, using ISO Increased Limits Factors and ISO Deductible Factors. This change enables us to write a new market, covering much larger equipment.

These changes, each alone and in total, are actuarially sound, not inadequate, not excessive, and not unfairly discriminatory.

**Ameritrust Insurance Group**  
**Auto Dismantlers and Recyclers**  
**Conversion Coverage - Commercial Auto or Commercial General Liability**  
**Higher Limits and Higher Deductible Factors for Three Revenue Tiers**

		a	b	c	d	e	f	g	h	i	j	k
Revenue Tier		Occurrence Limit	Aggregate Limit	\$5,000 Deductible ILF	Adjusted Limits Discount	Relativity e(n)/e(n-1)	Relativity f(n)/f(n-1)		Filed Rates	Relativity h(n)/h(n-1)	Proposed Rates	Relativity
0-15 m	1	\$10,000	\$20,000						\$100		\$100	
	2	\$25,000	\$50,000	0.74	0.044	0.696			\$125	1.25	\$125	1.25
	3	\$50,000	\$100,000	0.86	0.044	0.816	1.172		\$150	1.20	\$150	1.20
	4	\$100,000	\$200,000	1.00	0.044	0.956	1.172	1.00			\$180	1.20
	5	\$250,000	\$250,000	1.21	0.044	1.166	1.220	1.04			\$225	1.25

		a	b	l=d	m	n	o = j	p	q	r	s	t
Revenue Tier		Occurrence Limit	Aggregate Limit	\$5,000 Deductible Discount	\$10,000 Deductible Discount	\$15,000 Deductible Discount	Proposed Rates at \$5k Deduct	Proposed Rates at \$10k Deduct	Proposed Rates at \$15k Deduct	Rate Per \$1,000 at \$5k Deduct	Rate Per \$1,000 at \$10k Deduct	Rate Per \$1,000 at \$15k Deduct
0-15 m		\$10,000	\$20,000	0.044	0.066	0.08	<b>\$100</b>	<b>\$98</b>	<b>\$96</b>	\$10.00	\$9.77	\$9.62
		\$25,000	\$50,000	0.044	0.066	0.08	<b>\$125</b>	<b>\$122</b>	<b>\$120</b>	\$5.00	\$4.88	\$4.81
		\$50,000	\$100,000	0.044	0.066	0.08	<b>\$150</b>	<b>\$147</b>	<b>\$144</b>	\$3.00	\$2.93	\$2.89
		\$100,000	\$200,000	0.044	0.066	0.08	<b>\$180</b>	<b>\$176</b>	<b>\$173</b>	\$1.80	\$1.76	\$1.73
		\$250,000	\$250,000	0.044	0.066	0.08	<b>\$225</b>	<b>\$219</b>	<b>\$216</b>	\$0.90	\$0.88	\$0.86

		15-30 m Revenue Tier			30 m+ Revenue Tier				
		a	b	u	v	w	x	y	z
Other Revenue Tiers	Occurrence Limit	Aggregate Limit	Proposed Rates at \$5k Deduct	Proposed Rates at \$10k Deduct	Proposed Rates at \$15k Deduct	Proposed Rates at \$5k Deduct	Proposed Rates at \$10k Deduct	Proposed Rates at \$15k Deduct	
	\$10,000	\$20,000	\$166	\$162	\$160	\$266	\$260	\$256	
	\$25,000	\$50,000	\$208	\$203	\$200	\$333	\$325	\$320	
	\$50,000	\$100,000	\$249	\$243	\$240	\$399	\$390	\$384	
	\$100,000	\$200,000	\$299	\$292	\$287	\$478	\$467	\$460	
	\$250,000	\$250,000	\$373	\$364	\$359	\$597	\$584	\$575	

ColumnNotes

c	Class 15406 Metal Scrap Dealers has Increased Limits Table Assignment 3B. ILF's are from ISO Ohio General Liability, Rule 56. Increased Limits Tables, B. Tables, 3. Premises/Operations (Subline Code 334) Table 3 - \$100/200 Basic Limit.
d,l,m,n	From ISO General Liability, Rule 15. Deductibles, E. Deductible Amounts, 2. Premises/Operations Deductible Discount Factors - Property Damage, Table 3 column.
f,g,i	Relativities of factors in preceding column, as noted in column headings.
k	Row 3 = Column j's \$150/\$125 = 1.20. Row 4 = (Column k, Row 3 1.20)(Column g, Row 4 1.00) = 1.20. Row 5 = (Column k, Row 4 1.20)(Column g, Row 5 1.04) = 1.25.
j	Row 4 = (Column j, Row 3 \$150)(Column k, Row 4 1.20) = \$180. Row 5 = (Column j, Row 4 \$180)(Column k, Row 5 1.25) = \$225.
p	$p = o(1-m)/(1-l)$ .
q	$q = o(1-n)/(1-l)$ .
r,s,t	$r,s,t = o,p,q/(a/1,000)$ , for reference only.
u,v,w	$u,v,w = o,p,q*1.666$ , which factor is from Exhibit A.2.
x,y,z	$x,y,z = o,p,q*2.666$ , which factor is from Exhibit A.2.

**Ameritrust Insurance Group**  
**Auto Dismantlers and Recyclers**  
**Conversion Coverage - Commercial Auto or Commercial General Liability**  
**Higher Limits and Higher Deductible Factors for Three Revenue Tiers**

a	b	c	<u>Rates</u>		<u>Ratios to 0-15 m Tier</u>	
			d	e	f	g
Revenue Tier	Occurrence Limit	Aggregate Limit	Deductible		Deductible	
			2,500	5,000	2,500	5,000
0-15 m	100,000	100,000	240	216	1.000	1.000
	100,000	250,000	270	252	1.000	1.000
	250,000	250,000	316	288	1.000	1.000
15-30 m	100,000	100,000	400	360	1.667	1.667
	100,000	250,000	450	420	1.667	1.667
	250,000	250,000	527	480	1.668	1.667
30m+	100,000	100,000	640	576	2.667	2.667
	100,000	250,000	720	672	2.667	2.667
	250,000	250,000	844	768	2.671	2.667

a-e North River Insurance filings: California CRUM-129728914,  
Missouri CRUM-129753436, Texas CRUM-129726249.

f-g Ratios of each tier to the base 0-15 m tier.

**Ameritrust Insurance Group**  
**Auto Dismantlers and Recyclers**  
**Impaired Property Damage - General Liability**

	a	b	c	d	e	f	g	h=f-g	i=h(1-d)	j	k	l	m	n	o	p	q
	Sub-Limit	Occ Limit	Deduct	Participation	Largest Ground-Up Loss Shared	Increased Limits Factor	Deductible Discount Factor	Adjusted Limits Factor	Net Of Participation	Re-Based To Row 1	Re-Based To Row 3	Revenue Tier \$0-\$15m	Revenue Tier \$15-\$30m	Revenue Tier \$30 m +	Revenue Tier \$0-\$15m	Revenue Tier \$15-\$30m	Revenue Tier \$30 m +
1	\$50,000	\$50,000	\$3,500	20%	\$66,000	0.885	0.034	0.851	0.681	1.000	0.868	234	391	625	<b>235</b>	<b>390</b>	<b>625</b>
2	\$75,000	\$75,000	\$5,000	25%	\$105,000	0.979	0.044	0.935	0.701	1.029	0.893	241	402	643	<b>240</b>	<b>400</b>	<b>645</b>
3	\$100,000	\$100,000	\$5,000	20%	\$130,000	1.025	0.044	0.981	0.785	1.152	1.000	270	450	720			
4	\$100,000	\$100,000	\$5,000	30%	\$147,857	1.056	0.044	1.012	0.708	1.040	0.902	244	406	650	<b>245</b>	<b>405</b>	<b>650</b>
5	\$100,000	\$250,000	\$5,000	30%								276	459	735	<b>275</b>	<b>460</b>	<b>735</b>
6	\$250,000	\$250,000	\$5,000	30%	\$362,143	1.321	0.044	1.277	0.894	1.312	1.139	307	512	820	<b>305</b>	<b>510</b>	<b>820</b>

Col/  
Row

Notes

- 3 Row 3 (columns l, m, n) shows the North River rates, from these filings:  
California CRUM-129728914, Missouri CRUM-129753436, Texas CRUM-129726249.
- e  $e = c + b/(1-d)$ .
- f ILF for column (e) Loss.  
Class 15406 Metal Scrap Dealers has Increased Limits Table Assignment 3B.  
ILF's are interpolated based on ISO Ohio General Liability, Rule 56. Increased Limits Tables, B. Tables, 3. Premises/Operations (Subline Code 334) Table 3 - \$100/200 Basic Limit.
- g Deductible factor per column (c) Deductible.  
From ISO General Liability, Rule 15. Deductibles, E. Deductible Amounts, 2. Premises/Operations Deductible Discount Factors - Property Damage, Table 3 column.
- h  $h = f-g$ .
- i  $i = h(1-d)$ .
- l,m,n  $l,m,n = (\text{Column } k)(\text{Columns } l,m,n, \text{ Row } 6)$ .
- o,p,q  $o,p,q = l,m,n$  rounded to nearest \$5.
- 5 Row 5 (columns l,m,n) are the averages of rows 4 & 6, in line with the North River filings.

**Ameritrust Insurance Group  
Auto Dismantlers and Recyclers  
Special Floater Coverage  
Deductible Factor Exhibit**

a	b	c	d=b-c	e	f
<b>Deductible Amount</b>	Max Loss Represented by ILF for \$2,000,000	Deductible Discount Factors	Max Loss Reduced by Deductible Discount	Normalized to Base \$5,000 Deductible	<b>Proposed Deductible Factors</b>
<b>1,000</b>	1.93	0.012	1.918	1.017	<b>1.020</b>
<b>2,500</b>	1.93	0.027	1.904	1.009	<b>1.010</b>
<b>5,000</b>	1.93	0.044	1.886	1.000	<b>1.000</b>
<b>10,000</b>	1.93	0.066	1.864	0.988	<b>0.990</b>
<b>25,000</b>	1.93	0.102	1.828	0.969	<b>0.970</b>
<b>50,000</b>	1.93	0.135	1.795	0.952	<b>0.950</b>
<b>100,000</b>	1.93	0.168	1.762	0.934	<b>0.930</b>

Column      Notes

- b      Class 15406 Metal Scrap Dealers has Increased Limits Table Assignment 3B.  
          1.93 is from ISO Ohio General Liability, Rule 56. Increased Limits Tables,  
          B. Tables, 3. Premises/Operations (Subline Code 334) Table 3 - \$100/200 Basic Limit,  
          \$2 million per occurrence/ \$2 million aggregate limit.
- c      From ISO General Liability, Rule 15. Deductibles, E. Deductible Amounts,  
          2. Premises/Operations Deductible Discount Factors - Property Damage, Table 3 column.
- d      d = b - c.
- e      e = Divide each d by column d's \$5,000 factor 1.886.
- f      f = e, Rounded.